



Testimony in Support of LDs 490 and 965:

“An Act to Provide for a 5-year Automatic Repeal of Agency Rules” & “An Act to Require the Automatic Repealing of Agency Rules”

Senator Baldacci, Representative Salisbury, and the distinguished members of the Committee on State and Local Government, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Maine Policy submits this testimony in strong support of LD 490, "An Act to Provide for a 5-year Automatic Repeal of Agency Rules" as well as LD 965, "An Act to Require the Automatic Repealing of Agency Rules."

Maine’s regulatory system has grown unwieldy, burdening businesses and individuals with a complex web of mandates that stifle economic activity and undermine legislative oversight. This bill takes a much-needed step toward reining in bureaucracy and restoring accountability to the rulemaking process.

The Problem of Regulatory Creep

Maine’s administrative code is littered with rules implemented decades ago yet never revisited, evaluated, or reconsidered. As regulations accumulate, businesses face mounting compliance costs, new ventures struggle to navigate the system, and innovation is hampered by outdated mandates that serve no present-day purpose.

As of 2018, the Code of Maine Rules (CMR) contained over 113,000 individual regulatory restrictions, constraints, or obligations.¹ At the time of that analysis, the CMR contained more than 8.1 million words. For context, it would take an individual about 449 hours – or more than 11 weeks – to read the entire CMR, assuming the reader spends 40 hours per week reading at a rate of 300 words per minute.

For those concerned that the Maine Legislature is not equipped to review and approve more than 113,000 existing regulations within five years of this bill’s potential passage, rest assured that this bill does not apply retroactively, and only applies to rules adopted after the effective date established by the bill of January 1, 2026. This means LD 490 will only curb future regulatory growth while avoiding the risk of eliminating crucial existing regulations or overwhelming the Legislature.

Unlike elected lawmakers who are directly accountable to the voters, regulatory agencies operate with broad discretion, often issuing rules that carry the force of law without

¹ <https://www.mercatus.org/research/policy-briefs/snapshot-maine-regulation-2018>



legislative approval. This trend shifts power away from the people's representatives and into the hands of unelected bureaucrats, allowing state agencies to impose long-term economic burdens with little recourse for businesses and taxpayers. LD 490 addresses this imbalance by requiring agencies to justify their rules periodically or see them repealed automatically.

The Economic Impact of Overregulation

Excessive regulations impose a hidden tax on Maine's economy. Compliance costs drain resources that could be used to expand operations, hire new workers, and increase wages.² Small businesses—the backbone of Maine's economy—are disproportionately harmed, as they lack the legal and financial resources to navigate an ever-growing regulatory code.

Other states have recognized the dangers of unchecked regulatory growth. Numerous states have some sort of sunset agency rule review process. As of 2023, seven states had sunset legislation applying to regulatory rules, eight states gave a reviewing body discretion over which rules to review, and eight more states applied sunset requirements to all rules in a comprehensive manner.³ The results have been overwhelmingly positive, leading to a leaner, more efficient regulatory framework without compromising necessary consumer or health and safety protections. LD 490 would bring similar benefits to Maine, fostering a climate that encourages economic growth and entrepreneurship.

Strengthening Legislative Oversight

LD 490 is not about dismantling regulations, it is about ensuring they remain relevant, effective, and responsive to the needs of Mainers. This bill requires agencies to actively demonstrate the necessity of their regulations every five years and makes the legislature responsible for their continued enforcement. By doing so, LD 490 restores a critical layer of legislative oversight, preventing outdated or redundant mandates from persisting unchecked.

Just last year, we saw widespread public backlash against the Maine Department of Environmental Protection's consideration of electric vehicle mandates without legislative involvement or oversight.⁴ Allowing further regulatory review by legislators, who are directly responsible to the public for their actions, will reduce the risk of

² <https://www.cato.org/research-briefs-economic-policy/cost-regulatory-compliance-united-states>

³ <https://bookofthestates.org/tables/2023-3-27/>

⁴ <https://www.themainewire.com/2024/03/maine-bep-rejects-controversial-ev-mandate/>



unpopular regulations passing similarly and lessen the economic damage those rules may cause.

A structured review process reinforces the role of elected representatives in shaping Maine's regulatory framework. Agencies should not be able to impose permanent regulations without continued scrutiny. LD 490 ensures that agency rules remain accountable to the public and subject to democratic review rather than becoming entrenched by bureaucratic inertia.

LD 965's differences

While LD 490 only applies to regulations proposed after January 1, 2026, LD 965 also applies retroactively to any rule before that date, and causes them to repeal on January 1, 2030 automatically. Additionally it requires every new rule identify two existing ones that the agency will not seek to renew.

Conclusion

LD 490 presents a practical, balanced approach to streamlining Maine's regulatory code. It removes unnecessary barriers, encourages economic growth, and reinforces legislative accountability. Regulations that serve a clear and ongoing purpose will be reaffirmed, while those that have become obsolete or harmful will no longer exist.

Meanwhile, LD 965 instead of just attempting to streamline and simplify Maine's regulatory code, it directly shrinks the total size of the administrative state of Maine. Due to the massive regulatory bloat Maine faces, both bills work to address a massive issue facing Maine's government.

For these reasons, Maine Policy Institute strongly urges the Committee to vote "Ought to Pass" on LD 490 to advance meaningful regulatory reform that benefits all Mainers, as well as LD 965. Thank you for your time and consideration.